



AUDIT REPORT

DALLAS COUNTY

COUNTY CLERK VITALS 2018 SPECIAL REVIEW

Darryl D. Thomas
Dallas County Auditor

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COUNTY CLERK VITALS 2018 SPECIAL REVIEW

TABLE OF CONTENTS

MANAGEMENT LETTER..... 3

EXECUTIVE SUMMARY..... 4

INTRODUCTION 5

DETAILS 6

 Adjustments and Reversals 6

 Sharing BVS System Log In 6

 Policies and Procedures..... 7

This report is intended for the information and use of the agency/department. While we have reviewed internal controls and financial reports, this review will not necessarily disclose all matters of a material weakness. It is the responsibility of the department to establish and maintain effective internal control over compliance with the requirements of laws, regulations, and contracts applicable to the department



DALLAS COUNTY
COUNTY AUDITOR

MANAGEMENT LETTER

Honorable John Warren
County Clerk
Dallas, Texas

Attached is the County Auditor's final report entitled "**County Clerk Vitals 2018 Special Review**" Report. In order to reduce paper usage, a hard copy will not be sent through in-house mail except to the auditee.

If you prefer that released reports be emailed to a different (or additional) recipient, please inform me of the name and the change will be made.

Respectfully,

A handwritten signature in black ink, appearing to read "Darryl D. Thomas", with a stylized flourish at the end.

Darryl D. Thomas
County Auditor

EXECUTIVE SUMMARY

A limited review was initiated in response to the County Clerk Vitals self-reported deviation from office policies regarding making change for customers out of personal funds. The non-adherence to policy involved one clerk, who is no longer an employee of Dallas County. The scope of this audit focuses on the transactions of this employee during October 16, 2017 to February 13, 2018.

Our office requested and received a copy of the Dallas County Clerk Employee Handbook revised February 1, 2018. The cover page of the document includes a Policy Acknowledgement page that employees are required to sign indicating that they are to comply with the policies and procedures contained in the handbook and the Dallas County Code and communicating the consequences for failure to comply. The handbook covers a wide range of topics including office hours, customer care and how to appropriately handle sensitive documentation.

Summary of Significant Observations

- Non-supervisory employees perform adjustments/reversals.
- Written procedures do not contain specific wording prohibiting the use of personal funds to make change.

Repeat observations from Previous Audits:

- Bureau of Vital Statistic log-ins are shared between employees.

Only those weaknesses which have come to our attention as a result of the audit have been reported. It is the responsibility of the department management to establish and maintain effective internal control over compliance with the requirement of laws, regulations, and contracts applicable to the department.

INTRODUCTION

Dallas County Auditor's Office mission is to provide responsible, progressive leadership by accomplishing the following:

- Comply with applicable laws and regulations
- Safeguard and monitor the assets of the County utilizing sound fiscal policies
- Assess risk and establish and administer adequate internal controls
- Accurately record and report financial transactions of the County
- Ensure accurate and timely processing of amounts due to County employees and vendors
- Set an example of honesty, fairness and professionalism for Dallas County government
- Provide services with integrity
- Work in partnership with all departments to resolve all issues of the County
- Strive to utilize the latest efficient and effective technology in the performance of tasks
- Provide technical support and training in the development, implementation, and maintenance of information systems
- Hold ourselves accountable to the citizens of the County at all times
- Be responsive to the elected officials and department heads of Dallas County

The objectives of this audit are to:

1. Ensure compliance with statutory requirements
2. Evaluate internal controls
3. Verification of accuracy and completeness of reporting
4. Review controls over safeguarding of assets

This audit covered the period of October 16, 2017 through February 13, 2018.

The audit procedures will include interviews with key process owners, observation of transactions processing, data analysis and sample testing of transactions. The main system used will also be reviewed and incorporated as part of the testing of transactions.

DETAILS

Adjustments and Reversals

Review of a former employee's adjustment and reversal transactions from October 2017 thru February 2018, revealed two adjustments to the employee's original transactions were performed by non-supervisory personnel with bookkeeping responsibilities. The transactions do not show evidence of managerial review.

The lack of segregation of duties and managerial oversight may result in potential assertions that monies were paid and refunds due and/or misappropriation of funds.

Recommendation

Adjustments

Corrections should be made such that both good internal control and audit trails are maintained. A supervisor should verify adjustments and reversals with verification evidenced by signature or initials on control documents, which are retained in accordance with Records Retention guidelines.

Management Action Plan

Only members of the management team will make correction or adjustments. All other adjustments by bookkeeper shall be verified by members of the management team and signed off on.

Auditors Response

None

Sharing BVS System Log In

A review of the former employees transactions for the issuance of birth certificates revealed the employee used other employees' user log-ins to access the Bureau of Vital Statistics (BVS) state system. The BVS reports from October to February do not show that any birth certificates were searched/issued under employees name, resulting in an inability to assign individual accountability for transactions related to birth records.

Recommendation

Assign Unique BVS System Login

Department should obtain a user ID and password for every Vitals employee issuing birth certificates from the State.

Management Action Plan

All employees have his or her own log in's and have been directed not to share their information with peers. The Bureau of Vital Statistics log in password issue should be indicated in future audits as having been resolved.

Auditors Response

None

Policies and Procedures

One former employee stated that personal funds of \$30 were used to make change for a customer and now she is due a refund, even though, the department has a change fund available for use. Department management has indicated that during new employee training, employees are told that change should not be made out of personal funds, however, this directive was not incorporated in the written policies at the time of this incident.

Lack of a signed employee acknowledgement of the policy may lead to employees making change out of personal funds and then claiming not to have knowledge of the policy.

Recommendation**Update Policies and Procedures**

Written policies and procedures should be updated with wording that an employee should not use personal funds to make change. Employees should sign and date policy and procedure documents when received.

Management Action Plan

Procedures have been updated. Each employee was provided with an updated copy of the Vital Statistics division training manual and asked to sign a form of acknowledgement of receipt.

Auditors Response

None

cc: Darryl Martin, Commissioners Court Administrator